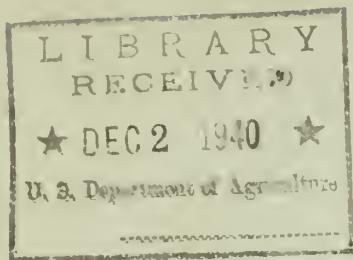


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Part I - STRICTLY CONFIDENTIAL

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AGRICULTURE AND NATIONAL DEFENSE

DISCUSS WAR AND AGRICULTURAL ADJUSTMENTS: To continue discussions started last summer at the regional grassland conferences, the program committee of the American Society of Agronomy in its annual meeting in Chicago has arranged for the afternoon session of Dec. 5 a panel on "War and Agricultural Adjustment as Related to Grassland Agriculture."

ERIC ENGLUND, ASSISTANT CHIEF OF BAE, in discussing "War and Changing Agriculture" will predict that, whatever the outcome, the post-war world will be different from the old and that freedom of trade in the old sense will not return in our time. This war and our defense program are intensifying with only minor exceptions, the already existing pattern of change — our export markets further limited, emphasis shifted toward production for the domestic market, technological change further accelerated, farm population further diminished, and government action and public programs playing a larger role.

LOUIS H. BEAN, BAE COUNSELOR, in discussing "The Relationship of Industry to Agriculture with Special Reference to the Defense Program" will say that industrial progress as a result of the defense program has less promise for agriculture than one might expect. He discusses relation of national income to farm income, rural unemployment, and maldistribution of income. He will say that "the new frontier of America lies in the possible purchasing power of the lower one-third," pointing to possible means of increasing purchasing power in this quarter, and giving reasons why such a thing won't come to pass automatically.

SHERMAN E. JOHNSON, BAE'S HEAD OF FARM MANAGEMENT, whose topic is "Farm Adjustments to Meet Changing Conditions" will discuss curtailment (perhaps permanent) of wheat, tobacco, and cotton.....expansion of dairy, poultry, meat, wool, fruit, and vegetable crops as alternatives to export crops, and as food (except wool) needed to improve national diet.....More consumption on farm and in city--if necessary through aid of such methods as Food Stamps--to take care of curtailed exports.....And possible movement of farm labor out of South and Great Plains to industrial employment.

COPIES OF THESE THREE SPEECHES MAY BE OBTAINED by those persons only on the "green letter" mailing list by writing to the Division of Economic Information, Bureau of Agricultural Economics, Washington, D. C.



Part II - FOR ADMINISTRATIVE USE
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AGRICULTURE AND NATIONAL DEFENSE

FOREST SERVICE GLUE SPECIALIST LOANED TO ARMY: Don Brouse, staffman of the Forest Products Laboratory, Madison, Wis., has been loaned by the Forest Service, at the Army's request, to the Beach Aircraft factory at Wichita, Kans., to assist in improving a cold setting glue to be used in manufacture of training planes. The Beach Co. has a large order for Army training planes in which wood is the principal structural material. The Army wants to develop the best possible factory gluing technique. Brouse will be stationed at Wichita for several months. Glue research also will be continued at the Forest Products Laboratory.

ARMY GARRISON RATIONS BOOST POULTRY AND EGG CONSUMPTION: Col. Paul E. Howe, formerly of BAI, told departmental poultry committee that transfer from civilian to Army life steps up poultry and egg consumption 33 percent. He pointed out that garrison ration is "on the basis of an average of one egg and two ounces of chicken per day."

SUMMARY OF FOREIGN DEVELOPMENTS: UNITED KINGDOM: Considerable expansion in winter wheat acreage is indicated by Ministry of Agriculture. Planting conditions were generally favorable. The Ministry announced that fixed prices for domestic farm products would be maintained for duration of war and for one year thereafter. Prices, however, will be adjusted to production cost changes. Farm labor will be protected. Effective December 1, the Ministry announced a one-penny (about 2 cents) increase per quart on milk price. Use of liquid milk in ice cream manufacture is prohibited. Milk production now is 14 percent below that of a year ago, and liquid milk consumption is 18 percent above. British Wool Control says prospects for increased Indian wool allotments for use of U. S. carpet makers is poor. Present rate of shipment from India to United Kingdom will soon exhaust all stocks. Food ministry has suspended issuance of licenses for all banana imports to save shipping space. Stocks probably will be exhausted by Christmas. British banana growers will be compensated for fruit destroyed in Colonial possessions to the extent of one million pounds sterling.

GERMANY: Rations for period Dec. 16 to Jan. 12 remain unchanged for bread, flour, meat, lard, margarine, cheese curds, whole milk, artificial honey and cocoa. Total fat rations also unchanged, although there will be a decrease of 62.5 grams per capita per week in fresh butter ration, offset by raising melted butter ration from 50 to 100 grams per capita per week. Difference in weight attributed to higher fat content of melted butter, considerable quantities of which were stored last summer.

ARGENTINA: The Grain Board was authorized to purchase wheat and flaxseed at 6.75 pesos and 9.25 pesos per quintal (54.70 and 69.96 cents per bushel) respectively, delivered at Buenos Aires, beginning Dec. 1. Grain Board also authorized to obtain a promise from growers that their wheat and flaxseed acreages will not be increased next season and that, if requested, they will comply with an acreage reduction of not to exceed 10 percent.

JAPAN: New structures are being established in financial, cotton, textile, raw silk and shipping fields, all subject to strict governmental control, envisaging more limited participation in foreign trade. No improvement is expected in Japanese purchases from abroad except for commodities essential for defense. Despite official announcement of increase in wheat crop, supply situation in Tokyo does not appear plentiful. Government probably will not permit wheat imports due to scarcity of foreign exchange.

GREECE: A Greek steamer recently passed Istanbul carrying 4,250 tons of Russian wheat enroute to Piraeus. This is first shipment of Russian wheat to Greece since August last year.

ITALY: Despite the drive for economic self-sufficiency, Italy may have to go without many vital foodstuffs and agricultural raw materials if the British blockade holds throughout winter. Rationing of many foodstuffs was started even before Italy entered war. Since last June there have been further restrictions. Coffee sales are prohibited, pastry and ice cream can be sold only three days a week, meats only two days a week. Fats and oils are rationed, and smaller allowances of spaghetti and rice are in store after Dec. 1. Normally 84 percent of Italy's imports arrive by sea. About 80 percent must pass by Gibraltar.

